



**Addressing the Challenges of  
Recovery & Rebuilding  
from Hurricanes Katrina & Rita**

**Overview of Action Plan  
Amendment No. 2  
LRA Board of Directors Meeting  
June 15, 2006**



## **ACTION PLAN AMENDMENT NUMBER 2**

- **ECONOMIC DEVELOPMENT PROGRAMS**



- **INFRASTRUCTURE PROGRAM**

- **BRIDGE LOAN AMENDMENT**



# Economic Development Programs

- **Long Term Recovery Loan Guarantee Program**  
**\$95 million**
- **Small Firm Recovery Loan & Grant Program**  
**\$38 million**
- **Technical Assistance to Small Firms Program**  
**\$9.5 million**
- **Louisiana Tourism Marketing Program**  
**\$28.5 million**



## **Overall Economic Development Program Objectives:**

- **To help firms determined to have a viable business in the post-storms economy.**
- **To assist small firms that need capital and/or technical assistance to survive, while also being cautious that many companies may fail because market conditions have changed**
- **To use the Tourism Marketing Program and Road Home Housing Plan to bring back the customer base and employees that support many businesses in South Louisiana.**



# Long Term Recovery Loan Program

**Purpose: To provide access to loans for companies which are unable to get conventional loans because of their post-storm risk profile or revenue status**

- **\$95 million to guarantee loans, leveraging about \$550 million**
- **Available to firms in impacted areas that sustained physical or economic loss**
- **Local banks underwrite & approve loans**
- **Maximum \$1.5 million per loan**
- **Fixed assets, equipment, & working capital**



# Small Firm Recovery Loan & Grant Program

**Purpose: To provide loans and grants to small firms which require more hands-on business assistance in order to restart, maintain operations, or grow**

- **\$38 million**
- **Modeled after NYC program**
- **Low-cost working capital loans**
- **Grants to reimburse tangible expenses**
- **Technical assistance to firms receiving funds**
- **Includes nonprofits**
- **RFP process**
- **Multiple contracts to service providers**



# Technical Assistance to Small Firms Program

**Purpose: To fund a competitive RFP award to provide grants to entities for various forms of technical assistance to entrepreneurs & small firms**

- **\$9.5 million**
- **Modeled after NYC program**
- **Hands on assistance to small firms, including nonprofits**
- **Assistance for entrepreneurs**
- **RFP process**
- **Multiple contracts to service providers**



# Tourism Marketing Program

**Purpose: To jump start the damaged tourism and convention industry sectors with a large marketing and advertising campaign**

- **\$28.5 million**
- **Prior to storms, 2<sup>nd</sup> largest industry; cultural economy was fastest growing**
- **Surveys show negative images since storms**
- **Funds to be used for:**
  - **Tourism travel advertising & marketing (including Southwest Louisiana)**
  - **New Orleans leisure travel marketing**
  - **New Orleans convention & meeting travel**



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## **Action Plan Amendment – Infrastructure Program**

- **Raises total \$ available for Infrastructure Repairs Program to \$595 million (from \$95M)**
- **Allocates \$200 million of the total above to repair primary and secondary schools**
- **Expands allowable expenditures for the Infrastructure Program to include certain repairs that are not eligible for FEMA Public Assistance**



## **Process/Rationale for Allocation of Funds to Infrastructure Repair Programs**

- Most of the damage estimates included in the following table still have a wide margin of error due to the scale of losses and the need to begin repairs before some costs can be accurately determined.**
- Repairs will take 3 or more years to perform.**
- In order to avoid oversubscribing the infrastructure repair programs within the Action Plan, the current Action Plan Amendment includes estimated amounts required to begin prioritized repairs over the next several months.**



## **Process/Rationale for Allocation of Funds to Infrastructure Repair Programs**

- **Additional amounts will be added to the programs as required to meet funding needs.**
- **The estimate of total required funds will be updated and refined regularly, always holding back enough funds to cover the worst case estimate, until the final required amount is determined.**
- **Expenditures that are ineligible for PA grants will be evaluated against program needs and feasibility criteria (not yet established) to determine eligibility under this program.**



# ESTIMATED INFRASTRUCTURE REPAIR COSTS

Potential Additional Needs	Potential FEMA Match (\$MM)	Ineligible Cost (\$MM)	
<b>Local/Parish Expenses</b>			
Local PA Match – Buildings and other *	39		
Education - K12	95	292	
Highway System Repairs	48		
Airports	30		
Transit (Public Belt Rail, etc)	70		
Ports infrastructure	40		
Commercial/Recreational Fishing Industry Facilities		50	
Wastewater Treatment Facilities - Public/Private	130		
Water Wells/Aquifer Protection		7	
Public Drinking Water Systems	40		
<b>Subtotal - Local/Parish Expenses</b>	<b>\$ 492</b>	<b>\$ 349</b>	
<b>State/Other Expenses</b>			
State Buildings – FEMA match, Mitigation, Code Comp.	150	250	
Levees - Non Federal		20	
Submerged Debris		10	
Hazard Mitigation Match	63		
<b>Subtotal - State/Other Expenses</b>	<b>\$ 213</b>	<b>\$ 280</b>	
<b>Total Potential Additional Needs</b>	<b>\$ 705</b>	<b>\$ 629</b>	<b>\$ 1334</b>
Admin Costs (5%)	35	31	<b>\$ 66</b>
	<b>Total Potential Needs</b>		<b>\$ 1,400</b>

\* Costs are exclusive of other categories



# EDUCATION INFRASTRUCTURE REPAIR COSTS

Potential Additional Needs	Potential FEMA Match (\$MM)	Ineligible Cost (\$MM)
Local/Parish Expenses		
Education - K12	95	292
	Total Potential Needs \$ 387	
Action Plan Amendment 2 - Total Education Allocation		
	Total Allocation \$ 200	



# ESTIMATED INFRASTRUCTURE REPAIR COSTS

Potential Additional Needs	Potential FEMA Match (\$MM)	Ineligible Cost (\$MM)
<b>Local/Parish Expenses</b>		
Local P.A. Project Costs – Buildings and other *	39	
Highway System Repairs	48	
Airports	30	
Transit (Public Belt Rail, etc)	70	
Ports infrastructure	40	
Commercial/Recreational Fishing Industry Facilities		50
Wastewater Treatment Facilities - Public/Private	130	
Water Wells/Aquifer Protection		7
Public Drinking Water Systems	40	
<b>Subtotal of Local/Parish Needs **</b>	<b>\$ 397</b>	<b>\$ 57</b>
		<b>Subtotal \$ 454</b>

## CDBG Allocations - Local Government Emergency Repair Program

**Initial Allocation \$ 95**  
**Action Plan Amendment 2 – Additional Allocation \$ 300**

\* Numbers are exclusive of other categories

\*\* Numbers do not include education repair costs

**Total Allocation \$ 395**



## Proposed Infrastructure Expenditures

- **Education – K12** : FEMA match, coverage of uninsured losses, repairs of existing damage exposed by the storm, bringing schools up to code
- **Highway System Repairs**: FEMA match for anticipated non-federal road bed damage due to inundation, match for FHWA grants for heavily affected areas (3 years)
- **Airports**: FEMA match for building damages
- **Transit**: FEMA match for losses in transit systems (buses, rail lines, etc.)
- **Ports**: FEMA match for damage of port facilities,
- **Commercial/Recreational Fishing Industry Facilities**: repair of docks, ice houses, and other infrastructure not covered by FEMA PA (note – Pending legislation in Congress may make this allotment unnecessary. If so, it will be removed.)

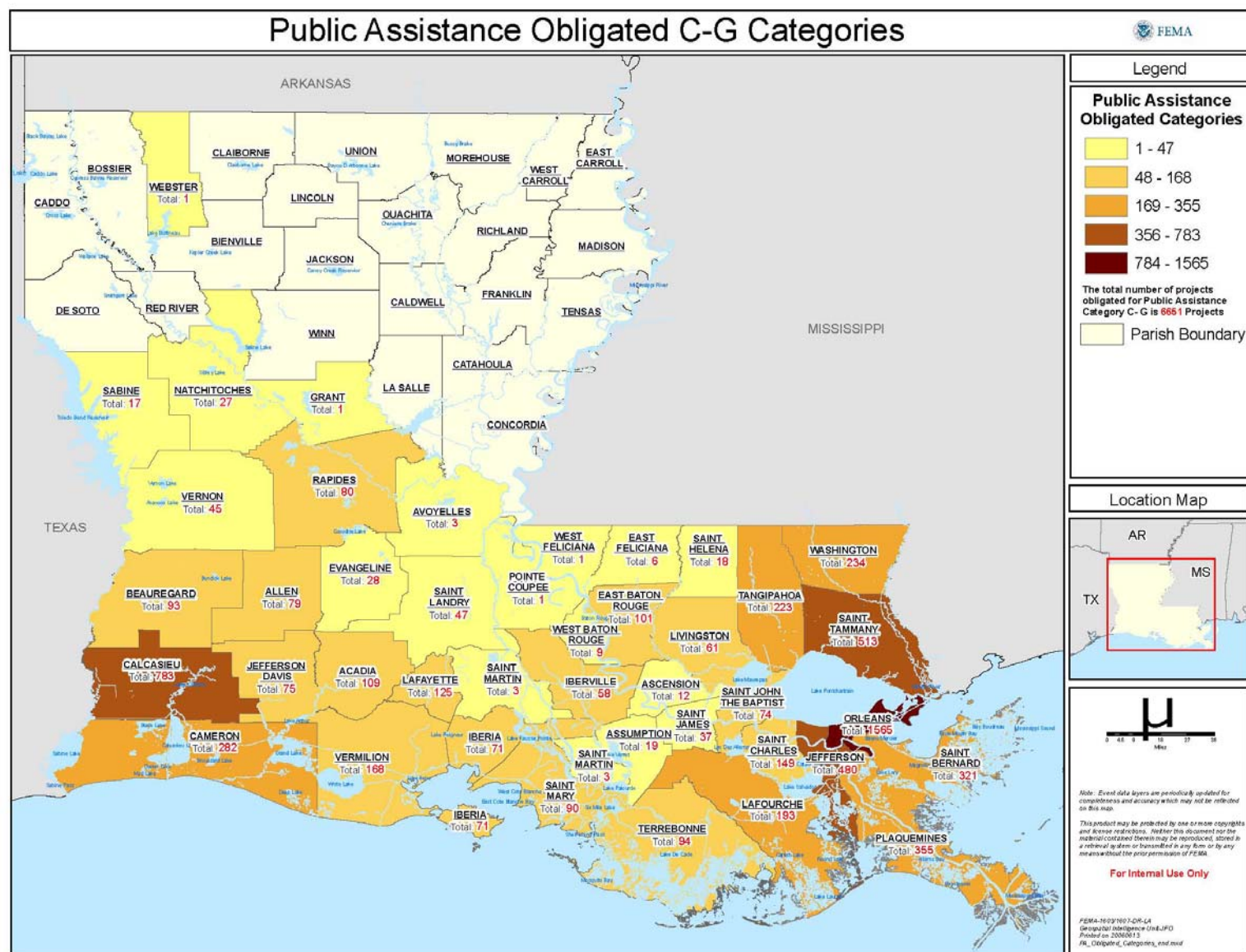


## Proposed Infrastructure Expenditures (cont'd)

- **Wastewater Treatment Facilities:** FEMA match for damage to equipment and collection systems, repair of underinsured, privately owned systems
- **Public Drinking Water Systems:** FEMA match, uninsured losses
- **Levees – Non-Federal:** FEMA match repairs to public levees
- **Water Wells/Aquifer:** Plug and Abandon damaged water wells to protect aquifers
- **Submerged Debris Removal:** Removal of debris from public water bottoms that are not included in FEMA's clearing of navigable channels (note – Pending legislation in Congress may make this allotment unnecessary. If so, it will be removed.)
- **Hazard Mitigation Match:** 25% match on previously approved HMGP funds allocated to local infrastructure. Allows local governments to move forward on HMGP projects.

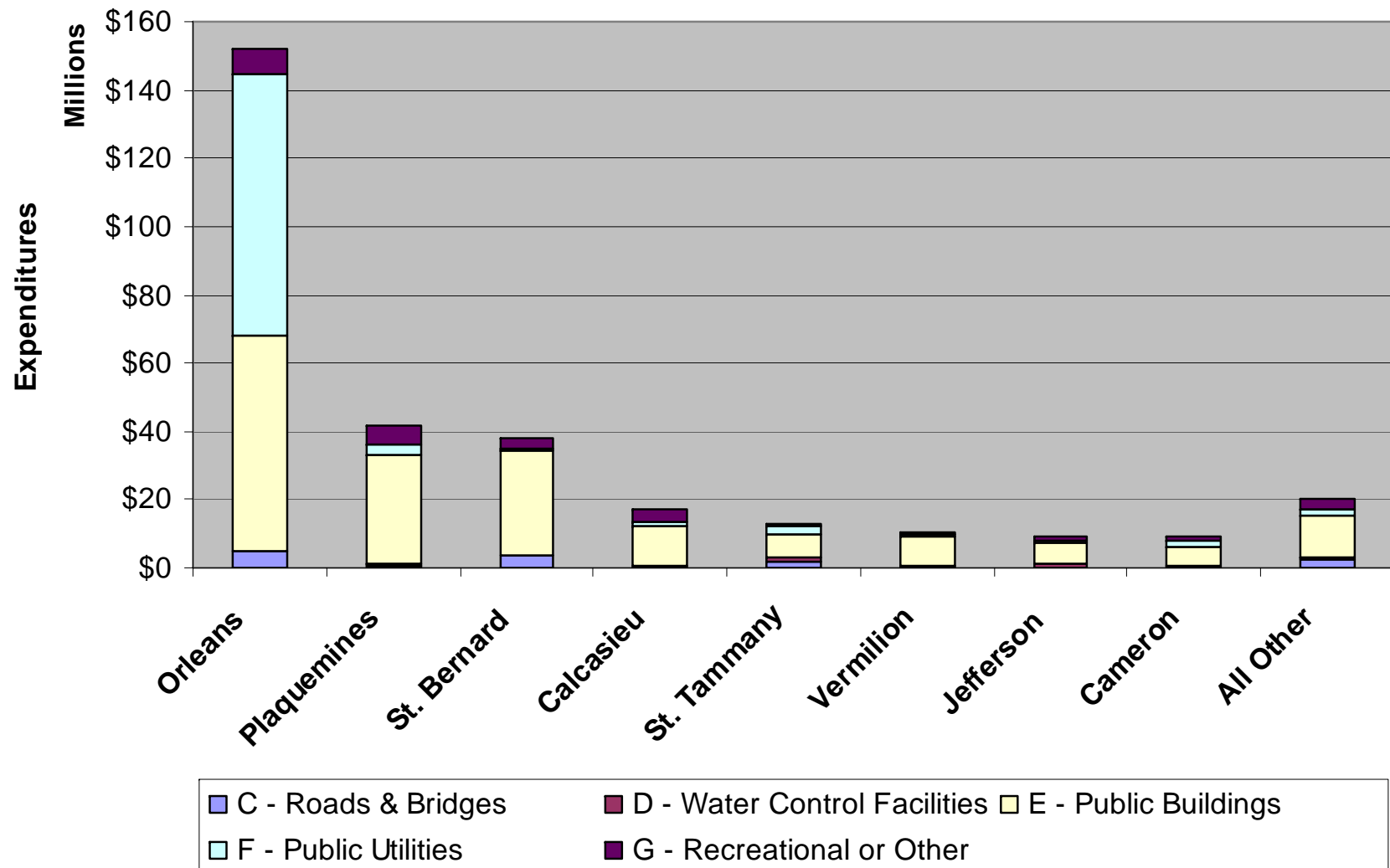


# Obligated Public Assistance - by Parish





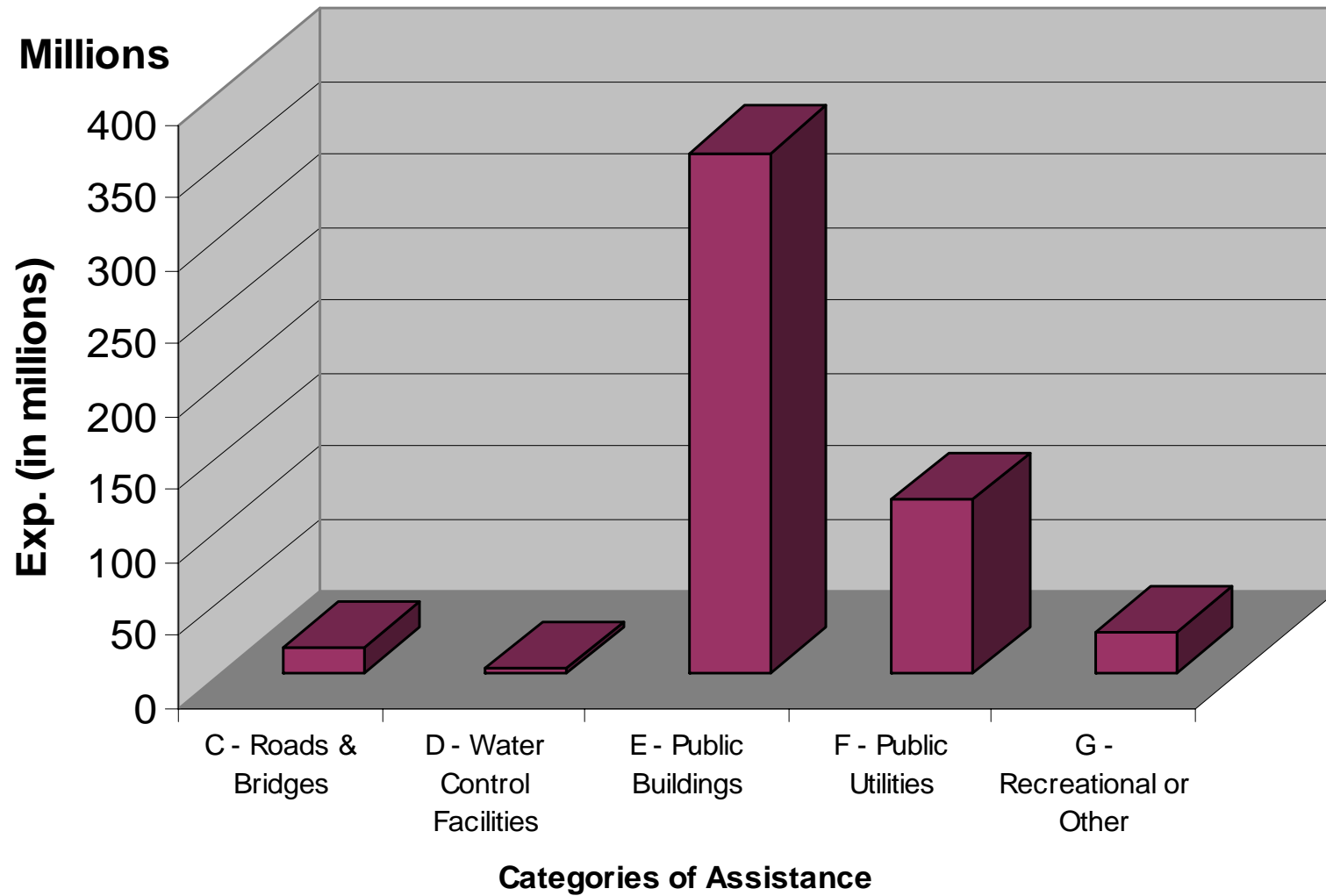
## Obligated Expenditures by Parish (Millions \$\$)





# Obligated Expenditures by Category of Assistance

## Expenditure by Assistance Category





## **LRA resolution offers to cover local government match if:**

- **Funding provided for cases of emergency need;**
- **Projects are for eligible for FEMA Public Assistance;**
- **Parishes which have adopted the latest available base flood elevations of the FEMA Flood Recovery Guidance;**
- **Parishes or communities have adopted the new statewide building codes;**
- **Projects are recommended through a broad community planning process;**



## **LRA resolution offers to cover local government match if:**

- Projects demonstrate that they are the most efficient and cost effective way to rebuild the infrastructure;**
- Projects follow the best design for delivery of services in light of the population shifts and changed faces of many Louisiana communities;**
- Project contains a mitigation plan to minimize damage in the event of future floods or hurricanes; and**
- Projects have been assigned a FEMA field project number by the project officer on or before August 29, 2006.**



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# Bridge Loan Program Amendment

- **Amends bridge loan to allow greater than 50% of the bridge loans to be made in the 13 most affected parishes**
- **Current language limits that 50% must go to the 13 most affected parishes, with another 50% allocated to the remaining parishes**